



State Representative
Dr. Vernon G. Smith

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Full-Day Kindergarten Update

**A Halfway Update of the 2004
Session of the General Assembly**

**Earned Income Tax Credit
Could you benefit?**

✍ In tax year 2001, the average
Hoosier family received more than
\$1,612.

✍ File taxes to receive your credit.

✍ If you are eligible for the
Federal Earned Income Tax Credit
you may also be eligible for an
Earned Income Tax Credit from the
state of Indiana.

Read more information inside

Helping Hoosiers

Legislation I Authored

Several helpful bills have been passed in the House that are now in the Senate for consideration. I am very happy that the two following bills I authored are currently under consideration:



House Bill 1044—Trafficking Tobacco Products with an Inmate:

This bill makes trafficking with an inmate a Class A misdemeanor if the trafficker is an employee of the Department of Correction or a penal facility and the trafficked item is a tobacco product.



House Bill 1232—Age Discrimination:

This bill transfers jurisdiction over age discrimination proceedings from the Commissioner or Labor to the Civil Rights Commission. The bill prohibits certain actions by an employer, a labor organization, or an employment agency relating to discrimination against an individual at least 40 years of age.

Full-Day Kindergarten



I support Gov. Joe Kernan's efforts to enact an Early Learning Trust program that will help provide voluntary full-day kindergarten for all children across the state. House Bill 1234 outlines a plan to provide access to voluntary full-day kindergarten to an additional 20,000 children by this fall and to every Hoosier child by 2007.

Experts agree that early education is a sound, necessary investment in our future. As Gov. Kernan said when introducing this plan during his State of the State speech on January 13, "Every dollar that is invested in high-quality, comprehensive early learning initiatives helps us save \$7 in welfare, special education and criminal justice costs."

There are many benefits to the programming provided through the Early Learning Trust. We will be supporting parents as a child's first and most important teacher. We will increase parental and

family involvement in teaching and encouraging reading. We will give all children access to high quality programs that will enable them to enter school ready and able to succeed for the future.

The Earned Income Tax Credit provides refundable federal tax for Hoosier Families!



Unclaimed Tax Dollars in Lake County

Could you benefit?

Did you realize that Indiana's working citizens have left more than \$100 million unclaimed tax dollars? The Earned Income Tax Credit (EITC) is a refundable federal income tax credit, based upon family size and earned income, for working individuals and families with low incomes.

The EITC could provide you with as much as \$4,204 if you are a working family with an income of \$34,692, or below, for the 2003 tax year.

The Indiana Family and Social Services Administration estimates that as many as 84,000 Hoosiers qualify but are not claiming the credit. In addition to the tax savings for

2003, if you were eligible but have not claimed the credit in the past you are able to back file for the credit for up to three years.

Most individuals who are eligible for the EITC credit do not claim it because they either haven't heard about the EITC or do not know how to apply. There are several places you can contact to learn more about the EITC to see if you are eligible for this credit. These include:

The IRS hotline: 1-800-829-1040

The IRS website: www.irs.gov

The Family and Social Services Administration's EITC website:
www.in.gov/fssa/eitc

Economic Impact of the Federal Earned Income Tax Credit (EITC)

	Population	EITC Dollars (in millions)	Number of Filers Receiving EITC	Percent of County Population Receiving EITC	Average EITC Refund	Number of Filers That May Be Eligible and Not Receiving the EITC	Potential EITC Dollars
Indiana	6,080,458	\$569.8	361,359	5.9%	\$1,577	72,272	\$113,960,000
Lake County	484,564	\$60.9	34,761	7%	\$1,753	7,460	\$5,404,922

Session Update

Now that we have reached the halfway point of the 2004 General Assembly, I am proud that several pieces of legislation have been passed to the Senate for consideration. These initiatives will improve Indiana as a better place to work and raise a family.

In addition to the property tax and full-day kindergarten legislation that I have highlighted on the inside of this newsletter, the following House Bills have been passed:

• **HB 1265 Prescription Drug Purchasing**

More than 400,000 Hoosiers would gain access to affordable prescription drugs through HB 1265, which sets up programs to allow the state to purchase prescription drugs in bulk from pharmaceutical companies at reduced rates, with the savings passed on to those who take part in the program.

• **HB 1309 Workers Compensation**

HB 1309 will help Hoosier workers injured on the job get improved benefits in a timelier fashion. The

average weekly wage that an injured worker received while off the job will increase and the system used to handle disputed claims will be streamlined, allowing for faster resolution of cases.

• **HB 1005 Property Tax Study Commission**

This bill creates a commission to explore alternatives to property taxes to fund local government. Homeowners' property tax bills will show how each person's property taxes are divided among each taxing unit, including local schools. Financial institutions will provide information about homestead credits and other deductions to people who are buying a new home.

• **HB 1006 Property Tax Deduction Increases**

HB 1006 increases property tax deductions for seniors on lower incomes, veterans, the blind and disabled and people who are rehabilitating homes. It also freezes property taxes for people over 65 years of age who are making less than \$25,000 year.

Rep. Dr. Vernon G. Smith—working for you

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